In re:) Case No. 22-41803
)
Donald C. Darnell,) Judge Maria L. Oxholm
) Chapter 7
Debtor)
)

SUBCHAPTER V TRUSTEE'S APPLICATION FOR ORDER APPROVING FEES

Kimberly Ross Clayson Subchapter V Trustee ("Applicant") for Donald C. Darnell ("Debtor"), respectfully submits the following as her first and final application for compensation:

Procedural Background

On March 10, 2022, Debtor's principal on Debtor's behalf filed voluntary petition under Chapter 11 and elected to proceed pursuant to Subchapter V. On March 14, 2022 Applicant was appointed as Subchapter V Trustee for Debtor. Applicant has performed duties as Subchapter V Trustee from March 14, 2022 through January 31, 2023. The services rendered by Applicant have supported Debtor's reorganization efforts and reimbursement of fees and costs is appropriate and necessary at this time.

As provided at the Notice of Appointment at Docket No. 11, amended at Docket No. 12 in this case, Applicant requests fees pursuant to 11 U.S.C. §§330 and

331 and L.B.R. 2016-1 (ED Mich.). In accordance with L.B.R. 2016-1(a) (ED Michi) and Fed. R. Bankr. P. 2016(a), Applicant has not received payments nor have any payments been promised to Applicant for services rendered or to be rendered in connection with this case. Applicant will be paid with funds on hand with Debtor and Applicant has not received prior compensation and has no agreement with any other entity to share in Applicant's compensation.

1. Fees requested in present application:

- Applicant requests fees in the amount of \$11,088.00. A.
- Applicant requests expense reimbursement in the amount of \$297.73. B.
- No retainer has been paid to Applicant.
- 2. Period in Which Services were Performed: Services were rendered for the period of March 14, 2022 through January 31, 2023.

Summary of Services: 3.

Applicant was appointed as Subchapter V Trustee on March 14, 2022 and immediately contacted Debtor to obtain information about the Debtor's financial affairs and business operations, reason for the petition filing, issues anticipated to achieve confirmation and the Debtors' goals in the Chapter 11 case in pursuit of a successful confirmation of a Chapter 11 Subchapter V Plan of Reorganization.

Applicant reviewed Debtor's schedules, statement of financial affairs, tax returns and financial records.

Applicant attended Debtor's Chapter 11 initial debtor interview and 341 creditor meeting.

Applicant reviewed and monitored Debtor's monthly operating reports on file with the court to evaluate the Debtor's prospects for reorganization.

Applicant reviewed Debtor's plan of reorganization and creditor plan objections and facilitated resolution of objections in order to promote confirmation of a plan by consent.

Applicant attended Debtor's confirmation hearing to support confirmation of the plan.

- **Adversary proceedings:** No adversary proceedings were filed in this matter. 4. The status of the bankruptcy matter is that the case was converted from a Chapter 11 case to a Chapter 7 on November 21, 2022.
- Nature of services to be provided in the future: The Debtor's case has been 5. converted and Applicant anticipates it will not perform any further services.
- **Duplication of Services:** Applicant performed all services without the 6. assistance of any other professionals.
- 7. Fees and costs previously approved to Applicant: None.
- A copy of a Proposed Order is attached as Exhibit 1. 8.
- 9. A copy of the notice of appointment of Applicant is attached as Exhibit 2.
- A summary statement of the number of hours of services rendered by 10.

Applicant is is attached as Exhibit 4.

11. An itemized time record is attached as **Exhibit 5**.

A brief biographical statement is attached as **Exhibit 6**. 12.

An itemized statement of expenses for which reimbursement is sought is 13.

attached as Exhibit 7.

Wherefore Applicant requests that this Honorable Court enter an order

approving fees for Subchapter V Truste in the amount of \$11,088.00 and expense

reimbursement of \$297.73.

Respectfully submitted,

SUBCHAPTER V. TRUSTEE

Dated: March 1, 2023

By: /s/ Kimberly Ross Clayson Kimberly Ross Clayson (P69804) TAFT STETTINIUS & HOLLISTER LLP 27777 Franklin Road – Suite 2500

Southfield, MI 48034

P: 248.351.3000

kclayson@taftlaw.com

In re:) Case No. 22-41803
Donald C. Darnell,)) Judge Maria L. Oxholm
Debtor) Chapter 7))
	EXHIBIT LIST
Ex. No.	<u>Description</u>
1.	Proposed Order
2.	US Trustee filed Notice of Appointment
3.	N/A
4.	Summary of Applicant's Fees
5.	Itemized Invoice
6.	Biography
7.	Itemized Statement of Expenses

[Proposed Order]

In re:) Case No. 22-41803
)
Donald C. Darnell,) Judge Maria L. Oxholm
) Chapter 7
Debtor	
)

ORDER APPROVING APPLICATION FOR COMPENSATION FOR DEBTOR'S COUNSEL

This matter having come before the Court upon the application of Kimberly Ross Clayson, Chapter 7 Subchapter V Trustee, all interested parties having been served with notice of the application and the provisions of E.D. Mich. LBR 2016-1 having been met, no objections to the application having been received and a certification of no response having been filed, and the Court being otherwise fully advised in the premises;

IT IS HEREBY ORDERED:

1. The Court grants Applicant's current fee application as follows:

This award for fees: 11,088.00 This award of costs: \$ 297.73

TOTAL AWARD: \$ 11,385.72

2. This award covers services rendered and expenses incurred during the time period of March 14, 2022 through January 31, 2023.

[US Trustee Filed Notice of Appointment]

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

In re: Case No. 22-41803-lsg

Donald C. Darnell., Subchapter V – Chapter 11

Debtor. Hon. Lisa S. Gretchko

NOTICE OF APPOINTMENT OF SUBCHAPTER V TRUSTEE

Pursuant to 11 U.S.C. § 1183(a), the United States Trustee has appointed the following qualified individual as Subchapter V trustee in the above-captioned case:

Kimberly Ross Clayson Jaffe Raitt Heuer & Weiss, P.C. 27777 Franklin Rd., Ste. 2500 Southfield, MI 48034 (248) 727.1635 Email: kclayson@jaffelaw.com

The trustee's verified statement of disinterestedness and anticipated rate of compensation is attached to this notice.

Respectfully submitted,

ANDREW R. VARA
UNITED STATES TRUSTEE
Regions 3 and 9

By: /s/ Timothy Graves
Trial Attorney
Office of the U.S. Trustee
211 West Fort St - Suite 700
Detroit, Michigan 48226
(313) 226-7259
timothy.graves@usdoj.gov
[P64622]

Date: March 14, 2022 [P64

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MICHIGAN SOUTHERN DIVISION

In re: Case No. 22-41803-lsg

Donald C. Darnell., Subchapter V – Chapter 11

Debtor. Hon. Lisa S. Gretchko

VERIFIED STATEMENT OF SUBCHAPTER V TRUSTEE

In connection with the United States Trustee's Notice of Appointment of Kimberly R. Clayson as Subchapter V trustee in this proceeding, I hereby verify that I am a "disinterested person" as defined by 11 U.S.C. §101(14) in that I:

- (a) am not a creditor, equity security holder or insider of the debtor;
- (b) am not, and was not, within two years before the date of filing of the petition, a director, officer, or employee of the debtor; and
- (c) do not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

Subject to court approval pursuant to 11 U.S.C. § 330, I anticipate seeking compensation for my service in this case at an hourly rate of \$300.00, in addition to seeking reimbursement for any actual and necessary expenses I incur.

I hereby accept my appointment as subchapter V trustee in this case pursuant to FRBP 2008.

Respectfully submitted,

By: /s/ Kimberly Ross Clayson

Jaffe Raitt Heuer & Weiss, P.C. 27777 Franklin Rd., Ste. 2500

Southfield, MI 48034 248.727.1635 – Office

kclayson@jaffelaw.com

Date: March 14, 2022

[Not Applicable]

[Summary of Applicant's Fees]

In re:) Case No. 22-41803
Donald C. Darnell,) Judge Maria L. Oxholm) Chapter 7
Debtor	
)
SUMMARY OF SU	BCHAPTER V TRUSTEE FEES
33.6 hours v \$330.00/hour	\$11.088.00

[Itemized Invoice(s)]

Client/File #KRCTTE/DARNEL

Invoice #: 5958468

PROFESSIONAL SERVICES RENDERED

5 /	A 11	0	0. 1. 0	Description of Oranda a D		A
Date	Atty	Code	Code Description	Description Of Services Rendered	Hours	Amount
3/14/22	KRC	B110	Case Administration	Received and reviewed verified statement and signed.	.10	33.00
3/14/22	KRC	B110	Case Administration	Read bankruptcy schedules.	.40	132.00
3/16/22	KRC	B110	Case Administration	Further analysis of elected exemptions and review of schedules.	.50	165.00
3/16/22	KRC	B110	Case Administration	Introductory call with debtor re sub v proceeding.	.30	99.00
3/16/22	KRC	B110	Case Administration	Attention to email re garnishment.	.10	33.00
3/24/22	KRC	B110	Case Administration	Call from creditor's counsel to answer questions about case.	.20	66.00
3/24/22	KRC	B110	Case Administration	Attend initial scheduling conference.	2.60	858.00
3/24/22	KRC	B110	Case Administration	Review of statement of financial affairs and review of proposed scheduling order.	.20	66.00
3/25/22	KRC	B110	Case Administration	Idi meeting attendance.	.50	165.00
4/04/22	KRC	B110	Case Administration	Received and reviewed attorney declaration and debtor's declaration of schedules.	.10	33.00
4/11/22	KRC	B150	Meetings of and Communications with Creditors	Attendance at 341 creditor meeting.	1.10	363.00
4/11/22	KRC	B150	Meetings of and Communications with Creditors	Call with E. Crowder about issues with case, exemptions and risk of dismissal over insurance issues.	.10	33.00
4/12/22	KRC	B150	Meetings of and Communications with Creditors	Received and reviewed 2004 exam and reply to creditor's counsel.	.30	99.00
4/12/22	KRC	B110	Case Administration	Call with G. Conti to facilitate resolution of 2004 exam stip.	.20	66.00
4/23/22	KRC	B110	Case Administration	Received and read status conference report and statement of operations.	.50	165.00
4/23/22	KRC	B110	Case Administration	Received and read motion for 2004 examination.	.30	99.00
4/26/22	KRC	B110	Case Administration	Call with UST T. Graves about malpractice insurance requirement and issues for dismissal.	.20	66.00
4/28/22	KRC	B110	Case Administration	Insurance inquiry follow up to ust.	.10	33.00
4/28/22	KRC	B110	Case Administration	Attendance on status conference.	1.30	429.00
4/28/22	KRC	B110	Case Administration	Call with E. Crowder to discuss means to resolve 2004 exam request.	.20	66.00
4/29/22	KRC	B110	Case Administration	Review of case for monthly report.	.10	33.00
5/05/22	KRC	B110	Case Administration	Read 2004 response, call with creditor's counsel about issues with response.	.30	99.00
5/17/22	KRC	B110	Case Administration	Attended meet and confer on 2004 exam motion.	.80	264.00
5/18/22	KRC	B110	Case Administration	Read and approved order for 2004 examination.	.40	132.00
6/07/22	KRC	B110	Case Administration	Responded to phone call inquiry from creditor's counsel.	.20	66.00
6/23/22	KRC	B110	Case Administration	Reviewed docket and update for trustee monthly report.	.30	99.00
6/23/22	KRC	B320	Plan and Disclosure Statement	Read and reviewed plan, review of professional liability policy, notes on plan and email to debtor's counsel about remarks on plan.	1.40	462.00
6/27/22	KRC	B110	Case Administration	Call with creditor counsel about withdrawal.	.20	66.00
6/29/22 7/12/22	KRC KRC	B110 B110	Case Administration Case Administration	Received and read objections to exemptions. Received and read debtor's response to objections on exemptions.	.20 .20	66.00 66.00

Client/File #KRCTTE/DARNEL Invoice #: 5958468

Date	Atty	Code	Code Description	Description Of Services Rendered	Hours	Amount
8/17/22	KRC	B110	Case Administration	Read exemption briefs, reviewed unsecured claims and irs claim.	1.20	396.00
8/17/22	KRC	B110	Case Administration	Review of plan and projections on feasibility question, call with debtor with questions on the same and sent sample projections spreadsheet to support feasibility position.	1.00	330.00
8/18/22	KRC	B110	Case Administration	Call with debtor about exemption issue.	.30	99.00
8/18/22	KRC	B110	Case Administration	Attended hearing on exemption issue.	1.20	396.00
9/12/22	KRC	B110	Case Administration	Notes to monthly trustee report.	.30	99.00
9/12/22	KRC	B320	Plan and Disclosure Statement	Read objection to plan. Emails with debtor to discuss plan and objection, status of amended plan and addressing exemption issue.	.60	198.00
9/20/22	KRC	B320	Plan and Disclosure Statement	Reviewed plan, notes on plan confirmation issues, email to debtor about the revisions needed, research re LLC rights in bankruptcy liquidation analysis, read 8080 grand operating agreement.	1.80	594.00
9/22/22	KRC	B320	Plan and Disclosure Statement	Read over revised exhibits for projections and Iqa.	.40	132.00
9/23/22	KRC	B320	Plan and Disclosure Statement	Read over amended exhibits with plan projections and liquidation analysis.	.50	165.00
9/30/22	KRC	B320	Plan and Disclosure Statement	Read IRS and creditor objections to plan.	.50	165.00
10/03/22	KRC	B320	Plan and Disclosure Statement	Reviewed Iqa and notes on issues pertaining to plan confirmation.	1.00	330.00
10/04/22	KRC	B320	Plan and Disclosure Statement	Phone conversation with counsel for souliotis about issues with plan and ability to obtain consent.	.40	132.00
10/04/22	KRC	B320	Plan and Disclosure Statement	Phone conversation with debtor about issues in plan and confirmation.	.80	264.00
10/04/22	KRC	B320	Plan and Disclosure Statement	Read over Mich treasury objection to plan confirmation.	.20	66.00
10/04/22	KRC	B320	Plan and Disclosure Statement	Read over amendments to plan.	.80	264.00
10/05/22	KRC	B320	Plan and Disclosure Statement	Call with client to go over concerns in plan and confirmation and concepts for obtaining confirmation with creditor approval.	.80	264.00
10/05/22	KRC	B320	Plan and Disclosure Statement	Call with objecting creditor counsel J. Turck to discuss options for agreeing to plan with amendments.	.30	99.00
10/05/22	KRC	B320	Plan and Disclosure Statement	Calls with us trustee's office about concerns related to plan and query about plan objections.	.80	264.00
10/05/22	KRC	B320	Plan and Disclosure Statement	Follow up with debtor with sample plan projection on debtor's request to resend.	.20	66.00
10/24/22	KRC	B320	Plan and Disclosure Statement	Received and read objections by UST and mortgage creditor to debtor's plan.	.20	66.00
10/31/22	KRC	B110	Case Administration	Case by case monthly report update.	.30	99.00
11/08/22	KRC	B320	Plan and Disclosure Statement	Received and read over responses to plan objections, revised projections and response to debtor regarding the same.	1.00	330.00
11/08/22	KRC	B320	Plan and Disclosure Statement	Research regarding liquidation analysis and authority to rely on charging lien protections Michigan statutes.	.60	198.00
11/09/22	KRC	B320	Plan and Disclosure Statement	Review of amended plan, attention to confirmation adjournment, review of responses to objections to plan.	1.80	594.00
11/10/22	KRC	B320	Plan and Disclosure Statement	Appearance at confirmation hearing.	1.00	330.00

Client/File	#KRCTT	E/DARNE	:1

Invoice #: 5958468

Date	Atty	Code	Code Description	Description Of Services Rendered	Hours	Amount
11/10/22	KRC	B110	Case Administration	Transmitted conversion stip to souliotis for	.20	66.00
12/30/22	KRC	B160	Fee/Employment	approval. Draft and preparation of fee application.	2.00	660.00

TOTAL PROFESSIONAL SERVICES

11,088.00

COSTS ADVANCED

Date	Description		Amount
9/15/22	Westlaw charges		170.71
	Copying/printing		11.85
11/08/22	Westlaw charges		115.17
		TOTAL COSTS ADVANCED	297.73
		TOTAL THIS INVOICE	11,385,73

SUMMARY OF PROFESSIONAL SERVICES

Atty	Name	Staff Level	Hours	Rate	Total
KRC	Kimberly Clayson	Partner	33.60	330.00	11,088.00
	TOTALS		33.60		11,088.00

SUMMARY BY TASK CODE

Code	Code Description	Timekeeper	Hours	Fees
B110	Case Administration	Kimberly Ross Clayson	15.00	4,950.00
B150	Meetings of and Communications with Creditors	Kimberly Ross Clayson	1.50	495.00
B160	Fee/Employment Applications	Kimberly Ross Clayson	2.00	660.00
B320	Plan and Disclosure Statement	Kimberly Ross Clayson	15.10	4,983.00
			22.00	44 000 00
			33.60	11,088.00

[Biography]

In re:) Case No. 22-41803
)
Donald C. Darnell,) Judge Maria L. Oxholm
) Chapter 7
Debtor)
)

CHAPTER 7 SUBCHAPTER V TRUSTEE BIOGRAPHICAL STATEMENTS

KIMBERLY ROSS CLAYSON:

- Partner, Jaffe Raitt Heuer & Weiss, PC
- Michigan State University, B.A. International Relations, Emphasis in Economics 2002
- University of Detroit Mercy School of Law, J.D. 2006
- Member, State Bar of Michigan 2006 present
- Trustee, Subchapter V, Chapter 11 of the Bankruptcy Code 2020 present
- Hearing Panelist, State of Michigan Attorney Discipline Board 2019 present
- Crain's Detroit Business Notable Women of Law 2021, Hon. Mention 2018
- Adjunct Professor, Bankruptcy University of Detroit Mercy School of Law, Fall 2022
- Adjunct Professor, Secured Transactions University of Detroit Mercy School of Law, Fall 2019, Fall 2021,
- Speaker, Federal Bar Association for the Western District of Michigan, Annual Bankruptcy Conference, 2022
- Speaker, ABI Hon. Stephen W. Rhodes Consumer Bankruptcy Conference 2014-2019
- ABI Hon. Stephen W. Rhodes Consumer Bankruptcy Conference Advisory Committee 2019-2020
- CBA Hon. Stephen W. Rhodes Consumer Bankruptcy Conference Advisory Committee 2021
- Member American Bankruptcy Institute
- Member Federal Bar Association

- Member Women's Law Association of Michigan Wayne Region
- Member National Association of Bankruptcy Trustees
- ICLE Contributor Chapter 11 Subchapter V Training Program
- ICLE Small Business Formation Certification 2019
- ICLE Author, Bankruptcy Causes of Action Chapter of Michigan Causes
- of Action, pub. 2020
- Board Member, Outlier Media, 2022 current
- Board Member, Economic Development Corporation for the City of Detroit, 2014 current
- Former Board Member, Treasurer, Detroit Walldorf School, 2010 2016
- Former Board Member, President, The Villages of Detroit Community Development Corporation, 2007 2012

[Itemized Statement of Expenses]

In re:) Case No. 22-41803
Donald C. Darnell,) Judge Maria L. Oxholm) Chapter 7
Debtor) ·
)
ITEMIZ	ZED EXPENSES
Westlaw charges	\$285.88
Copying/printing	\$11.85

In re:) Case No. 22-41803
- 44.5)
Donald C. Darnell,) Judge Maria L. Oxholm
) Chapter 7
Debtor)
)

NOTICE OF APPLICATION FOR APPROVAL OF FEES AND COSTS OF CHAPTER 7 SUBCHAPTER V TRUSTEE

Notice is hereby given that Kimberly Ross Clayson, Chapter 7 Subchapter V Trustee has made application to the Bankruptcy Court for allowance of fees and expenses as listed below:

Fees Requested Expenses Requested \$11,088.00 \$297.73

TOTAL: \$11,385.73

<u>Your rights may be affected.</u> You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

PLEASE NOTE: The application is available for public scrutiny at the United States Bankruptcy Court Clerk's Office, 211 W. Fort Street, Detroit, MI 48226, Monday through Friday, from 9:00 a.m. until 4:00 p.m. No hearing will be set before the Court unless a written objection to this application is timely filed with the Clerk of the Bankruptcy Court. If you have any objection, you have twenty (21) days from the date of service of this notice in which to file such written objection. In the event an objection is filed, a subsequent notice will be sent to you of the date, time, and location of the hearing on the objection.

If you do not want the court to award these fees and costs, or if you want the court to consider your views on the fee application, within 21 days from the date of service you or your attorney must:

- 1. File with the court a written response or an answer, explaining your position, with the U.S. Bankruptcy Court Clerk's Office at: 211 W. Fort St., Detroit, MI 48226. If you mail your response to the court you must mail it early enough so that the court will receive it on or before the date stated above.
- 2. You must also mail a copy of your response or answer to:
 - Kimberly Ross Clayson, Subchapter V Trustee, 27777 Franklin Rd., (a) Ste. 2500, Southfield, MI 48034; and
 - Office of the United States Trustee, 211 West Fort Street, Suite 700, (b) Detroit, MI 48226.
- 3. If a response or answer is timely filed and served, the clerk will schedule a hearing on the application and you will be served with a notice of the date, time and location of the hearing.

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought and may enter an order granting that relief.

Respectfully submitted,

SUBCHAPTER V. TRUSTEE

Dated: March 1, 2023 By: /s/ Kimberly Ross Clayson

Kimberly Ross Clayson (P69804) TAFT STETTINIUS & HOLLISTER LLP 27777 Franklin Road – Suite 2500

Southfield, MI 48034

P: 248.351.3000

kclayson@taftlaw.com

In re:) Case No. 22-41803
Donald C. Darnell,)) Judge Maria L. Oxholm
Debtor) Chapter 7
20001	

CERTIFICATE OF SERVICE

Re: Application for Order Approving Fees and Expenses for Chapter 7, Subchapter V Trustee; Proposed Order; List of Exhibits; Exhibits; Notice; Certificate of Service.

I hereby certify that on March 1, 2023, I electronically filed the foregoing papers with the Clerk of the Court using the ECF system, which will send notification of such filing to the Office of the United States Trustee and all those listed by the Court as receiving electronic notices in this case from the Court's CM/ECF system.

Respectfully submitted,

SUBCHAPTER V. TRUSTEE

Dated: March 1, 2023 By: <u>/s/ Kimberly Ross Clayson</u>

Kimberly Ross Clayson (P69804) TAFT STETTINIUS & HOLLISTER LLP 27777 Franklin Road – Suite 2500

Southfield, MI 48034

P: 248.351.3000

kclayson@taftlaw.com